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Employer-based HMO enrollment continues sharp decline in 2003

Revenues also drop, but profits climb sharply;
Enrollment migrates into group health, self-insured plans

In this issue

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Gov. Bob Holden
Director: Scott B. Lakin
Editor: Randy McConnell
Associate Editor: Melissa Becker

Public Policies serves as a key communications link between MDI and Missouri's legislators, weekly and broadcast media, industry observers and trade associations.

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Missourians' participation in employer-sponsored HMO plans – once the dominant form of health insurance here – dropped by more than 20 percent last year, continuing a five-year decline, Department of Insurance (MDI) Director Scott B. Lakin said.

From 1998 to 2003, employer-based HMO enrollment fell from 1.3 million Missourians to 755,000, or by 41 percent. Quarterly reports for early 2004 show a further decline of more than 100,000, bringing the total to about half of 1998 levels.

MDI figures indicate that Missouri employers are moving their workers and dependents into regular group health insurance policies and self-insured plans.

Despite the commercial HMO decline, Missouri was among 10 states that *reduced* its uninsured rate last year, according to U.S. Census Bureau figures made public in late August. The census data found that 11 percent or one in nine Missourians lacked insurance coverage for the entire year, compared to 11.6 percent in 2002. The national uninsured rate was 15.6 percent in 2003.

"Missouri is holding its own as the nation's uninsured rate climbs," Lakin said. "But the type of coverage is changing with less protection available for Missourians who become ill. Employers are switching to plans that usually have lower company contributions, reduced benefits and higher out-of-pocket expenses for workers."

*(See **Employer-based HMO**, p. 2)*

2003 count: claims continue decline; malpractice payouts drop

Final data on Missouri's 2003 medical malpractice market show new claims dropped to an all-time low while insurers paid out $25 million less in awards to victims last year, Department of Insurance (MDI) Director Scott Lakin announced this month.

The number of claims settled with payment in 2003 also fell to near-record lows.

"Payments in 2002 took an unexplained jump that vanished in 2003. Unfortunately, this data does not explain why the current medical malpractice crisis in cost and availability has occurred," Lakin said.

*(See **Payouts**, p. 4)*

Employer-based HMO

(continued from p. 1)

HMOs clearly were focused on retaining their best risks in 2003.

Despite the slide in enrollment and a 6 percent decline in overall revenues, HMOs operating in Missouri registered profits that surged to more than $300 million in 2003 – more than doubling a record set the previous year.

Missouri enrollment, premiums and other financial and health-care data are included in the 2003 HMO Annual Report.

Cost increases accompany enrollment decline

By law, HMOs provide the broadest health-care benefit package in Missouri, with no deductibles, limited copayments and mandatory coverage of all "basic health care services" except pharmacy.

HMOs grew rapidly in the mid-1990s as they held the line on health-care spending for employers and workers by negotiating discounts with providers, restricting choice of physicians and hospitals and requiring prior approval for many procedures.

Missouri's employer-based HMO enrollment more than doubled from 624,415 in 1993 to 1.3 million in 1998.

However, a tight labor market and employee preferences led companies to begin choosing health insurance options for workers and their families that were less restrictive. Providers like hospitals and physicians also began negotiating more favorable HMO reimbursement rates, and basic medical costs escalated.

From 1998 to 2003, average premiums for most Missouri HMO coverage increased by 83.4 percent, coinciding with the enrollment decline, despite changes that shifted costs to consumers through special pharmacy programs.

The average monthly premium for an HMO member was $208.83 in 2003.

The newly released 2003 MDI HMO annual report shows that average monthly premiums only increased 3.2 percent last year, but that figure is skewed. Most HMO members faced 8.7 percent average rate hikes.

United Healthcare of the Midwest reported a 22.5 percent decline in monthly premium costs that artificially reduced the overall average. United, previously the state's largest HMO, dropped almost 190,000 or 58 percent of its commercial HMO customers last year, many of them members of higher-cost plans.

Virtually all – 90 percent – of HMO employer-based enrollment involved larger companies with more than 50 workers and dependents participating.

In contrast to the drop in HMO enrollment, regular group health plans increased their policyholders by 17 percent last year to 1.1 million. While they must include a short list of state-mandated benefits in their policies, group plans allow employers greater flexibility in reducing health coverage and increasing deductibles and copayments.

No federal or state agency tracks coverage in self-insured employer plans. But a key indicator in MDI data suggests those plans continue to grow rapidly in Missouri. Many, but not all self-insured employers protect themselves against catastrophic health care costs by buying group "stop-loss" coverage. In Missouri, such stop-loss policies covered 874,250 persons in 2003 – a 17 percent increase over the previous year and a 72 percent increase since 1999.

Under federal law, the state cannot regulate self-insured employer plans, and consumers who migrate to that coverage lose their rights to state-mandated minimum benefits, no longer have legal safeguards on claims handling and must go to court to resolve disputes.

Some of the state's HMOs have lobbied the legislature and MDI unsuccessfully for the right to require unlimited, out-of-pocket consumer deductibles in their plans, which would lower monthly premium costs and increase HMOs' ability to compete with other insurers and self-insured arrangements. The change, however, would shift greater costs to consumers.

Government programs now account for 42 percent of HMO enrollment

HMOs now depend, to an unprecedented degree, on government programs – Medicare and Medicaid – for their enrollment, although seniors continue to drop Medicare HMOs. Government programs in 2003 accounted for 42 percent of total HMO enrollment, compared to 25 percent in 1999.

Medicaid enrollment – which includes children and some parents in low-income families as well as subsidized coverage of higher-income children – rose 5.9 percent last year to 437,694. The federal Medicare program for seniors and disabled Missourians had HMO enrollment of 100,632, but that total fell, for the third straight year, by 13.4 percent.

Overall, the state's HMOs had combined enrollment of 1.3 million from employer-based, Medicaid and Medicare enrollment, down 12.5 percent from 2002 and 21 percent from the peak of more than 1.6 million in 2000.

The largest owner of HMOs in Missouri now is Coventry Corp., a holding company for Group Health Plan, Coventry Health Care of Kansas and Healthcare USA that accounts for 28 percent of all HMO enrollees and 30 percent of HMO revenues in the state.

For the first time, a Medicaid-only HMO, Healthcare USA, emerged as the largest HMO in Missouri with enrollment of 188,815 followed by Mercy Health Plan at 186,964 and United Healthcare at 183,894.

United Healthcare led Medicare enrollment with 45,152 participants.

The largest HMOs operating in Kansas City were Coventry Health Care of Kansas and Blue Cross/Blue Shield, each with 19 percent of the market. In St. Louis, the largest operators were United, Group Health Plan and Healthcare USA, each with 23 percent of the market.

Half the state's 20 active HMOs showed enrollment gains last year. Leading with increases of more than 20 percent were Coventry's Group Health Plan and Medicaid-only Healthcare USA. Also adding more than 20 per-

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Employer-based HMO

(continued from p. 2)

cent to member totals were Good Health HMO or BlueCare, a freestanding subsidiary of Blue Cross and Blue Shield of Kansas City, and Medicaid-only Alliance for Community Health of St. Louis.

Overall, United Healthcare lost slightly more than half its enrollment, or more than 190,000 members.

Other major declines were posted by CIGNA of St. Louis (38 percent or more than 3,000 members), Coventry of Kansas (36 percent or 43,000 members), Cox Health Systems (19 percent or more than 3,000 members) and First Guard Health Plan (12 percent or 6,000 members).

Despite enrollment decline, HMOs post record profits

As MDI reported earlier this year, HMOs operating in Missouri set records for profits in 2003 despite dropping enrollment and revenues.

All HMOs operating here posted $307.8 million in nationwide profits in 2003, an increase of 106 percent from a record $149.6 million the previous year. Only two years before, in 2001, these companies had overall *losses* of $6.9 million, and they bottomed out in 1997 with a $231.9 million deficit.

HMOs mainly based in Missouri (doing at least 60 percent of their business here) had similarly robust earnings, with net income of $216.1 million, up 70.1 percent from the previous year's record of $127.1 million. (This category did not include Coventry Health Care of Kansas – Kansas City's largest HMO – that conducted 51.1 percent of its business in Missouri.)

Those profit totals were posted despite a decline in overall business income that reflected enrollment drops. Total revenues fell from $7.1 billion to $6.7 billion, or by 6 percent for all HMOs operating in Missouri. HMO revenues hit their peak in 1999 with $9.4 billion

Lakin said the strong profitability of the HMO industry appears to have translated into more customer satisfaction. Consumer complaints about HMOs dropped from 407 to 359 last year, or by 12 percent. "We see a strong relationship between profitability and complaint levels here for all lines of the insurance business," Lakin said. ❖

Missouri heads for lowest rate hike for workers comp since 2000

Results from 2004's first nine months indicate Missouri should post its lowest rate of premium increases for workers compensation insurance since 2000, Department of Insurance Director Scott Lakin said today.

With 206 insurers filing rate changes for 2004, overall market rates have increased only 1.9 percent, Lakin said, compared to 14.7 percent last year.

"These figures show Missouri's business community got relief as rate pressures eased in 2004, after three years in which premiums increased substantially to cover the rising costs of medical care for injured workers," Lakin said.

Actuarial studies indicate a steeper decline in workplace injuries is offsetting the steadily increasing cost of medical care. Workplace injuries in Missouri – although most do not result in claims – fell from 174,000 in 2001 to 147,000 in 2003, or 16 percent. For the year ending in June, injuries dropped again to 143,000.

Overall, Missouri businesses now pay rates that are only 3.7 percent higher than when the state deregulated pricing more than a decade ago.

Average Missouri workers compensation rates fell steadily after the state deregulated rates in 1994 for the first time since the program began 80 years ago. For six years, competition kept rates low while businesses and their employees focused on greater workplace safety that reduced injuries and costs.

The rate of reduction in injuries, however, slowed in the late 1990s, just as medical inflation began accelerating. Medical costs now account for more than half the benefits paid under workers compensation; the remaining benefits cover lost income.

Missouri businesses consequently faced average rate increases of 4.7 percent, 9.2 percent and 14.7 percent from 2001 to 2003.

This year, 109 workers compensation insurance companies have filed rate decreases averaging 2.4 percent while 97 increased rates an average of 8.6 percent. Those companies account for virtually all the coverage sold in Missouri.

MDI uses a system that weights rate increases based on an insurer's sales in the state to calculate an overall change.

Missouri workers compensation rate changes

Year	Rate Change
2003	14.7%
2002	9.2%
2001	4.7%
2000	-1.1%
1999	-6.1%
1998	-14.8%
1997	-13.5%
1996	-7.4%
1995	-5.9%
1994	15.0%

Payouts

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For example, the number of claims – which affect future payments — has been falling, and the average payout has increased only 5 percent since 2000. But companies more than doubled their estimates of ultimate payments over the past two years, and at least one major carrier tripled its rates.

The annual malpractice report represents a final update on preliminary figures released in April.

Among the highlights of 2003 Missouri data:

Claims activity:

New and paid claims drop substantially

· **New claims against medical providers fell more than 14 percent in 2003, reaching a record low.** The number of claims against physicians fell 11 percent, almost matching the lows registered in 2001, 1998 and 1997. New claims against hospitals continued a steady decline since 1991, falling 12.8 percent last year. The number of new claims provides a gauge of future costs that should affect current rates.

· **Claims closed with payment against all providers fell to the second lowest level ever – 504, compared to the record of 455 in 2000.** Last year's total fell 12.5 percent from 2002. Only the 158 claims paid in 2001 were lower than the 184 last year. Last year's total fell 20.3 percent from 2002.

· **Claims closed with payment against physicians fell to the second lowest level on record.** Only the 158 claims paid in 2001 were lower than the 184 last year. The 2003 total fell 20.3 percent from 2002.

· **Claims closed with payment against hospitals reached 124, or about the norm since 1998, when a steep decline began leveling out.** By contrast, paid claims against hospitals totaled 227 in 1989.

Claims payments:

Steep reductions occur in actual losses

· **Payouts to malpractice victims dropped substantially in 2003.** Insurers' overall losses paid to malpractice victims dropped from $118.7 million to $93.5 million last year, or by 21 percent. The decline in payouts produced the lowest cash-flow ratio – the percentage of revenues actually paid in benefits – since 1994. Malpractice insurers paid out 45 cents of each premium dollar in coverage written in 2003 while unlicensed but legal surplus lines insurers paid out only 24 cents. Such low levels usually signal that rate hikes are overshooting losses as an insurance cycle peaks; normal cash-flow levels are in the 60 percent range.

· **Insurers' payouts to victims of physician malpractice dropped more steeply**, from $79.4 million to $52.9 million, or by 33 percent. The payout dropped to 39 cents for every $1 written in physicians' policies.

· **The size of average awards stayed essentially flat in 2003, rising less than 2 percent to $211,502**. The typical or median award payment in Missouri is lower — $125,000. Average awards have stayed on a plateau since 2000, when they jumped substantially. Average awards rose 8.1 percent last year for claims against physicians; higher economic damages for lost wages and future medical care accounted for all but $3,050 of the $18,253 increase in average 2003 awards against physicians.

· **A statistical analysis of average payments shows that the entire increase since 1990 has been accounted for by medical inflation, average wages (lost income) and the increasing severity of injuries suffered by patients.** In 1990, the average claims payment was $99,621. If wage and medical inflation and injury severity since then are considered, the expected average in 2003 would have been $209,519; instead, it was a virtually identical $211,502.

· **The number of $1 million-plus awards remained at eight in 2003, or the typical number dating back to 1992.** The high was 11 in 1996. Three awards, all involving hospitals, exceeded $2 million last year.

· **The growth of premiums is far outstripping actual losses**. Insurance premiums paid by physicians jumped 121 percent from 2000 ($61.4 million) to 2003 ($136.4 million), while actual payments to injured patients rose only 14 percent. All providers' malpractice insurance premiums doubled from 2000 ($113.5 million) to 2003 ($227 million). Actual payouts for claims against all providers rose more slowly during that period, from $70.6 million in 2000 to $93.5 million, or by 32 percent.

· **Lowering Missouri's cap would have affected fewer cases in 2003 than the previous year and reduced payments by an amount equal to 4.3 percent of premiums.** The American Medical Association and others have proposed nationwide caps of $250,000 for non-economic damages without inflation adjustments. In Missouri, that change would have affected 47 cases last year – down by one-third from 70 in 2002 – and cut payments by $9.8 million, or 4.3 percent of premiums. The 47 victims, who on average suffered "grave" permanent injuries that involve conditions like quadraplegia and severe brain damage, would have lost payments averaging more than $208,000 over their remaining lifetimes.

· **The 2002 Scott decision – which created holes in Missouri's cap on noneconomic damages – continued to have a minimal impact on payouts.** That court ruling created the possibility of more than one cap per malpractice case. Insurance company lobbyists originally raised the prospect that, because of the ruling, overall losses could double or triple. However, claims reports indicated that the Scott case

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Payouts

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only affected nine cases last year that involved $3.1 million, or 1.7 percent of premiums and 3.3 percent of losses. Based on insurer evaluations, the typical case involved death, quadraplegia or severe brain damage with the need for lifetime care and/or a terminal diagnosis. In 2002, the ruling increased payments on 12 claims by $2.6 million, or 1.5 percent of premiums and 2.2 percent of total losses. The Scott decision is the only major change in how Missouri courts and insurers settle claims in almost two decades. MDI nevertheless has endorsed legislation reversing the Scott decision to add more certainty to the estimation of losses and rate setting.

Estimated or incurred losses

· **Insurers maintained a sharp increase in their estimates of what they eventually will pay for new claims, despite indicators to the contrary in 2003.** In 2001, licensed insurers in Missouri estimated future losses of $65.1 million for claims filed that year – but the total jumped to $167.9 million in 2002 and $164.3 million in 2003. (These totals also can reflect revised estimates for claims in previous years.) Insurers consequently increased their incurred loss ratio – or estimated payments on current claims as a percentage of current year's revenues – from 81 percent in 2001 to 108 percent in 2002, but it fell slightly to 97 percent last year.

· **Insurers' projected performance on physician business was much improved in 2003.** The incurred loss ratio, based on estimates of future payments, fell from 117 to 90 percent in 2003. Thanks to the $26.6 million drop in actual payouts and substantial increase in premiums, the cash-flow ratio dropped to only 39 cents in payouts on the premium dollar.

Injury severity

· **The average paid claim in 2003 involved a permanent, "significant" injury such as deafness, loss of a limb or loss of an organ**, based on insurance company evaluations of the claims. The rating continues the general increase in disability for paid claims over the past 15 years. For paid claims involving physicians, the injuries were more severe.

· **The number of deaths involved in paid claims dropped substantially from record levels in 2002.**

In 2003, claims with deaths reached 166, compared to 209 the previous year, or a decline of 21 percent. The deaths in closed claims last year, however, still exceeded the 138 in 2001.

Other trends

· **After two years of steady premium hikes, health care providers began moving to unlicensed carriers, known as "surplus lines" insurers, in 2003.** These unlicensed, but legal insurance companies accounted for 18 percent of sales in 2003 versus 13 percent the prior year. Earned premium doubled from 2002 to 2003. Policyholders go to surplus lines companies when they can no longer find coverage in the regular commercial market. MDI activated a state-sponsored insurance plan in June to help provide coverage for physicians and other providers who cannot buy regular policies. But because of legal restrictions on that state-sponsored plan, only three physicians had bought its coverage through the end of September; most of the plan's business so far has involved policies for nursing facilities.

· **In inflation-adjusted dollars, gross malpractice insurance premiums for physicians now equal the level seen in 1990, although the number of practicing doctors has increased substantially.** The $121.3 million paid in 2003 compares to an inflation-adjusted $120.8 million in 1990 and $134.4 million in 1989.

· Unlike with most insurance lines, three-fourths of malpractice claims result in a lawsuit. The litigation percentage exceeds 81 percent for physicians.

· Few malpractice lawsuits result in verdicts by a judge or jury. Only 5.3 percent of all such cases reach resolution in court; the remainder result in settlements or dismissals.

· The average victim waits 47 months, or four years, to receive an award for malpractice after the medical error occurs. The delay is longer for cases involving physicians – 54 months, or 4½ years.

The MDI data has been challenged by physicians who are lobbying for changes in the state's medical malpractice laws. However, only two such sources of information exist: MDI's files and the federal National Practitioner Data Bank, which covers closed paid claims for providers like physicians, but not hospitals.

Both the state and federal databases show the same trend: the number of paid claims against doctors is declining.

Since 1991, MDI shows the number of claims paid fell 42 percent for physicians, compared to 30 percent for the NPDB. Both databases show the average payout the past two years has been essentially identical.

Since 1991, the NPDB shows 11.7 percent more claims reported annually than MDI, which may reflect greater compliance in reporting claims against physicians who work for self-insured hospitals.

About the same disparity – 12.3 percent – existed between NPDB and MDI average claim payments.

*(See **Payouts**, p. 7)*

MDI Regulatory Actions

September & October 2004

Legal action - agents, agencies, brokers, companies

Jody Garretson, Springfield, MO, received a written reprimand.

Gregory A. Greenwalt, Kansas City, MO, $5,000 forfeiture for selling, soliciting or marketing a health plan that was not authorized by the state.

Ken D. Knierim, Republic, MO, $200 voluntary forfeiture because of forgery.

Jesus Soriano, O'Fallon, MO, license revoked because of federal mail fraud conviction.

Eunice Rowell Wadsworth, Louisville, KY, license revoked because of federal conviction for bank embezzlement, revoked in Kansas and Kentucky.

Jeffery A. Wiley, Springfield, MO, license voluntarily surrendered because of complaint investigation.

Global American Title Agency, Inc., Wheaton, IL, $200 forfeiture for failure to respond.

Investors Title Co., Clayton, MO, $1,775 voluntary forfeiture for employment of an unlicensed individual.

Investors Title Co., Clayton, MO $2,100 voluntary forfeiture because of unsound underwriting practices.

Financial Exams

Chamois Mutual Insurance Co., Washington, MO.

Farmers Mutual Insurance Co. of Daviess County, Gallatin, MO.

Farmers Mutual Insurance Co. of Linn County, Meadville, MO.

Gordonville Mutual Insurance Co., North Elm, MO.

Guarantee Title Insurance Co. (Bar Plan Title). St. Louis, MO.

Healthcare USA of MO, St. Louis, MO.

Lewis County Mutual Insurance, North Elm, MO.

Southeast MO Mutual Fire Insurance Co., Dexter, MO.

St. Johns Mutual Insurance, Washington, MO.

Company Changes

Alea North America Reinsurance Co., Rocky Hill, CT, changed its name to ***Alea North America Specialty Insurance Co.*** and was admitted as a surplus lines company.

Anthem Alliance Health Insurance Co., Indianapolis, IN, changed its name to ***OneNation Insurance Co.***

Bankers Reserve Life Insurance Co. of Wisconsin, St. Louis, MO, was admitted with life, annuities, endowments, accident and health authority.

Benistar Admin Services, Inc., Stamford, CT, was admitted as a third party administrator (TPA).

Chicago Title Insurance Co., Missouri, acquired ***American Pioneer Title Insurance Co.,*** Florida.

Continental Western Casualty Co., Cherry Hill, NJ changed its name to ***Clermont Insurance Co.***

Direct General Insurance Co., Nashville, TN, was admitted with property, liability, accident, health and miscellaneous authority.

Great American Protection Insurance Co., Cincinnati, OH, redomesticated from Indiana to Ohio.

Great American Spirit Insurance Co., Cincinnati, OH, redomesticated from Indiana to Ohio.

Health Care Service Corp., Chicago, IL, was licensed with accident and health authority.

Hewitt Coleman & Assoc., Inc., Greenville, SC, withdrew as a TPA.

Housing Authority Property Insurance a Mutual Co., Cheshire, CT, was admitted with property, liability, fidelity, surety and miscellaneous authority.

Meridian Citizens Security Insurance Co., Indianapolis, IN, changed its name to ***Great Northwest Insurance Co.***

Pension Life Insurance Co. of America, Baltimore, Maryland, merged with ***Monumental Life Insurance Co.***

Pioneer General Insurance Co., Denver, CO, was admitted with fidelity and surety authority.

Safeco Life Insurance Co., Seattle, WA, changed its name to ***Symetra Life Insurance Co.***

Safeco National Life, Seattle, WA, changed its name to ***Symetra National Life Insurance Co.***

Sentry Casualty Insurance Co., Stevens Pt, WI, was admitted with property, liability, fidelity, surety and miscellaneous authority.

Spectera, Inc., Baltimore, MA, was admitted as a TPA.

Southland Life Insurance Co., Minneapolis, MN, merged with ***Security Life of Denver Insurance Co.***

*(See **Regulatory actions,** p. 8)*

Payouts

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Missouri physician paid claims, 1991-2003
NPDB and MDI data

	National Practitioner		MDI Database		Difference	
Year Closed	**Paid Claims**	**Average Indemnity**	**Paid Claims**	**Average Indemnity**	**Claims**	**Indemnity**
1991	323	$200,046	319	$145,842	-1.2%	-27.1%
1992	304	$185,204	233	$164,414	-23.4%	-11.2%
1993	261	$196,065	261	$164,175	0.0%	-16.3%
1994	273	$167,942	260	$153,368	-4.8%	-8.7%
1995	303	$252,628	302	$153,934	-0.3%	-39.1%
1996	295	$227,363	263	$221,264	-10.8%	-2.7%
1997	233	$210,804	202	$192,791	-13.3%	-8.5%
1998	206	$193,382	158	$204,708	-23.3%	5.9%
1999	278	$206,476	210	$163,717	-24.5%	-20.7%
2000	193	$230,606	194	$219,623	0.5%	-4.8%
2001	284	$235,413	213	$196,043	-25.0%	-16.7%
2002	251	$236,433	231	$226,262	-8.0%	-4.3%
2003	225	$252,949	184	$244,515	-18.2%	-3.3%
Average	264	$215,024	233	$188,645	-11.7%	-12.3%
Change, 1991-2003	-30.3%	26.4%	-42.3%	67.7%		

Missouri bases its medical malpractice data on two sources: 1) certified annual financial data reported by both licensed and surplus lines insurers operating in Missouri; and 2) legally mandated reports filed on individual claims, as they are opened and closed, by insurers, self-insured entities and the state's guaranty fund in the case of insolvent companies.

MDI is aware that some self-insured hospitals do not comply with the law, but the agency has no enforcement powers. That failure has little if any effect on trends because those hospitals have not reported for many years. MDI sought the ability to fine entities that violate the law in 2003 and 2004, but the General Assembly did not approve the changes.

The figures and trends released today vary little from preliminary data made available in April as the General Assembly was considering tort legislation. Companies, however, continue to file amended or late claim and financial reports, sometimes dating back several years.

The entire report is available on the MDI Web site at www.insurance.mo.gov. Printed reports are available for $35 by sending a check to the MDI Statistics Section, P.O. Box 690, Jefferson City, MO 65102-0690.

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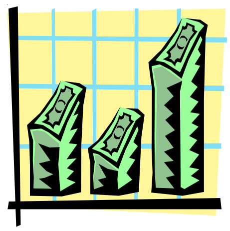

Regulatory actions

(continued from p. 6)

The Equitable Life Assurance Society of US, New York, NY, changed its name to ***AXA Equitable Life Insurance Co.***

The Netherlands Insurance Co., Keene, NH, was admitted with property, liability, fidelity, surety and miscellaneous authority.

Tokio Marine & Fire Insurance Co. Ltd., New York, NY, changed its name to ***Tokio Marine & Nichido Fire Insurance Co., Ltd.***

Transamerica Assurance Co., Cedar Rapids, IA, merged with ***Transamerica Life Insurance Co.***

Transguard Insurance Co. of America, Inc., Westmont, IL, added fidelity and surety authority.

Travelers Property Casualty Insurance Co., of Illinois, Hartford, CT, changed its name to ***Travelers Personal Insurance Co.***

Sun Surety Insurance Co., Rapid City, SD, was admitted with fidelity and surety authority.

Virginia Surety Co., Inc., Glenview, IL, added accident and health authority.

Market Conduct

John Alden Life Insurance Co., paid $21,863 in fines for failure to pay claims within the statutory time frame, failure to include interest on some claims, failure to maintain and provide documentation regarding claims, false, deceptive and/or misleading statements regarding payment of claims and coverage and failure to implement reasonable standards for the prompt investigation and settlement of claims.

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Missouri Department of Insurance
P.O. Box 690
Jefferson City, MO 65102-0690